revenue, and to a certain extent on the effort that it has made in providing this enormous sum of money from the proceeds of taxation and State services.

But when this much has been admitted we have to hasten to add that the figures are not nearly so big as they look, and that there is much less " to write home about/' as the schoolboy said, than there appears to be at first sight. Those champions of the Government methods of war finance who maintain that we have, during the past year, multiplied the pre-war revenue, of roughly, £200 millions by more than 3!, so arriving at the present revenue of over £700 millions, are not comparing like with like. The statement is perfectly true on paper, and expressed in pounds sterling, but then the pound sterling of to-day is an entirely different article from the pre-war pound sterling. Owing to the system of finance pursued by our Government, and by every other Government now engaged in the war, of providing for a large part of the country's goods by the mere manufacture of new currency and credit, the buying power of the pound sterling has been greatly depreciated. By multiplying the amount of legal tender currency in the shape of Treasury notes, of token currency in the shape of silver and bronze coinage, and of banking currency through the bank deposits which are swollen by the banks' investments

in Government securities, the Government has increased the amount of currency passing from hand to hand in the community while, at the same time, the volume of goods to be purchased has not been increased with anything like the same rapidity, and